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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

SECURITIES AND EXCHANGE COMMISSION,	:	
Plaintiff,	:	04 Civ. 3000 (KSH)
v.	:	<u>DISTRIBUTION ORDER</u>
MEASUREMENT SPECIALTIES, INC. and	:	
KIRK J. DISCHINO,	:	
Defendants.	:	

WHEREAS Plaintiff Securities and Exchange Commission has moved for an order to distribute the funds in the Court Registry Investment System (“CRIS”) account established with respect to this action and to appoint a special agent with respect to those funds; and

WHEREAS after reviewing all the papers filed in connection with this motion, the Court has determined that it is appropriate that: (1) a distribution fund be established, which will include all of the funds currently on deposit in the CRIS account, minus Court Registry administrative fees; and (2) Berdon Claims Administration LLC, P.O. Box 9014, Jericho, NY 11753 (“Berdon Claims”), the claims administrator of the settlement distribution fund in Measurement Specialties, Inc. Securities Litigation, 02 Civ. 1071 (KSH) (“MSI Class Action”),

be appointed Special Agent for the purposes of: (a) calculating the taxes owed by the distribution fund, and filing tax returns and related documents on behalf of the distribution fund, and paying any tax obligation out of the distribution fund to the U.S. Treasury; and (b) distributing the distribution fund, less taxes, to the MSI Class Action settlement class (“Settlement Class”), as defined at Paragraph 3 in the Final Judgment and Order of Dismissal with Prejudice (MSI Class Action Doc. # 95, docketed on July 20, 2004) (“Final Judgment”), on a pro rata basis in accordance with the MSI Class Action Plan of Allocation, as set forth in Section VII. of Exhibit A-1 of the Stipulation of Settlement (MSI Class Action Doc. # 90, docketed on April 19, 2004) (“Plan of Allocation”), and approved by the Court. (See Final Judgment at ¶ 5.);

NOW THEREFORE IT IS HEREBY ORDERED that Plaintiff’s motion is **GRANTED** in all respects.

IT IS FURTHER ORDERED that a distribution fund be established consisting of the disgorgement, prejudgment interest, and penalties that were paid by defendants Measurement Specialties, Inc. and Kirk J. Dischino into the CRIS account for this case in the amount of \$1,453,401, plus accrued interest thereon, minus an administrative fee calculated as set forth below (“Distribution Fund”).

IT IS FURTHER ORDERED that the Clerk of the Court shall deduct from the CRIS account established with respect to this action an administrative fee from the income on the investment equal to ten per cent (10%) of the income earned, but not exceeding the fee authorized by the Judicial Conference of the United States and set by the Director of the Administrative Office (“Administrative Fee”).

IT IS FURTHER ORDERED that the escrow agent appointed by the Court in the MSI Class Action – Frederic S. Fox, Esq. of Kaplan Fox & Kilsheimer – be appointed Escrow Agent of the Distribution Fund, pending distribution by the Special Agent. (See Section IV. of the Stipulation of Settlement, MSI Class Action Doc. # 90, docketed on April 19, 2004; see also, Final Judgment and Order of Dismissal with Prejudice at ¶ 5 (approving the settlement), MSI Class Action Doc. # 95, docketed on July 20, 2004). The Distribution Fund shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as the Distribution Fund is distributed pursuant to the Plan of Allocation.

IT IS FURTHER ORDERED that the Clerk of this Court shall cause a check representing all amounts remaining in the Distribution Fund – minus the Administrative Fee – to be drawn on the account for this case in the CRIS, made payable to the Escrow Agent, and cause the check to be delivered to the Escrow Agent – Frederic S. Fox, Esq., Kaplan Fox & Kilsheimer LLP, 805 Third Avenue, 22nd Floor, New York, NY 10022, Telephone (212) 687-1980 – for distribution to the injured investors in accordance with the Plan of Allocation.

IT IS FURTHER ORDERED that: (a) the Distribution Fund, less taxes, be distributed to MSI Class Action Settlement Class on a pro rata basis in accordance with the Plan of Allocation; and (b) Berdon Claims be and hereby is appointed as Special Agent of the Distribution Fund for the purpose of effecting this distribution.

IT IS FURTHER ORDERED that, as soon as practicable after entry of this Order, the Commission's Special Agent shall:

- a. calculate the amount of taxes and any interest or penalties owed by the Distribution Fund, and file any necessary federal tax returns. Such returns shall include (i) all taxes arising with respect to the funds while the funds were in the CRIS account, and (ii) all taxes arising upon transfer of the Distribution Fund to the Escrow Agent ("Tax Obligation"). The Special Agent shall pay the Tax Obligation to the U.S. Treasury out of the Distribution Fund; and
- b. distribute the Distribution Fund, less the Tax Obligation, to the MSI Class Action Settlement Class on a pro rata basis in accordance with the Plan of Allocation.

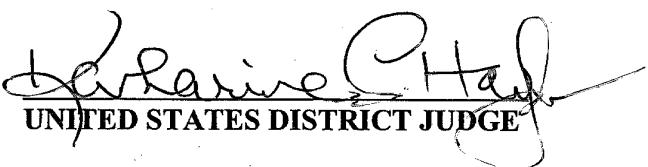
IT IS FURTHER ORDERED that Berdon Claims, as Special Agent, shall have the following rights and duties:

- a. Berdon Claims shall be entitled to rely on orders of the Court in this action, and may not be held liable to any person for any act or omission to act in the course of its duties or responsibilities relating to the Tax Obligation and administering the Distribution Fund, except upon a finding by the Court that Berdon Claims acted or failed to act as a result of misfeasance, bad faith, gross negligence, or in reckless disregard of its duties; and
- b. Berdon Claims may be removed at any time by the Court, and replaced with a successor. In the event Berdon Claims chooses to resign, it shall first give written notice to the parties and the Court of its intention, and resignation shall not be effective until the Court has appointed a successor. Berdon Claims shall then follow such instructions as its successor or the Court may give.

IT IS FURTHER ORDERED that no part of the Distribution Fund shall be paid to MSI
Class Action plaintiffs' counsel or Berdon Claims.

SO ORDERED:

Dated: March 18, 2004
Newark, New Jersey


Katherine P. Hall
UNITED STATES DISTRICT JUDGE